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LA4-637/52 NOTIFICATION

The following Bill together with the Statement of Objects and Reasons and the financial memorandum attached to it is published as ordered by the Speaker under Rule 33 of the Legislative Assembly Rules (as modified and adapted by the Speaker under Article 208, read with Article 238, Clause (11) of the constitution of India).

V. KRISHNAMOORTHI,
Secretary,
Legislative Assembly.

Legislature Secretariat,
Trivandrum, 18th July 1952.

THE TRAVANCORE-COCHIN GENERAL SALES TAX ACT (AMENDMENT) BILL.

Preamble. Whereas it is expedient further to amend the Travancore-Cochin General Sales Tax Act, 1125 (XI of 1125), for the purposes hereinafter appearing;

It is hereby enacted as follows:—

Short title and commencement.

1. (1) This Act may be called the Travancore-Cochin General Sales Tax (Amendment) Act, 1952.

(2) It shall come into force atonce.

Amendment of Section 2, Act XI of 1125.

2. After clause (d) of Section 2 of the Travancore-Cochin General Sales Tax Act, 1125 (XI of 1125), hereinafter referred to as the said Act, the following clause shall be inserted, namely:—

"(dd) "food grains" means paddy, rice, wheat, maize, jowar, bajra, barley and ragi and includes such other articles as the Government may, by notification in the Gazette, specify as such;"

Amendment of Section 3; Act XI of 1125.

3. In sub-section (2) of Section 3 of the said Act, for the entry "Nine pies" in column 2 against item (viii), the entry "one anna and nine pies" shall be substituted.

STATEMENT OF OBJECTS AND REASONS

Sales Tax on Petrol is now being levied at the rate of one anna per rupee from the Company (3 pies under Section 3 (1) and nine pies under Section 3 (2)). Besides this, the bunk owner has to pay a tax at the rate of 3 pies in the rupee on his turn-over. The tax collected from the company and the bunk together comes to 1 anna 3 pies per rupee which works out to about 2 annas 6 pies per gallon. In Madras it has been enhanced from 4 annas to 6 annas per gallon. There is a heavy fall in the Sales Tax Revenue during the past few months due to the fall in the price of almost all commodities. Decisions involving heavy additional expenditure have been taken by Government for immediate implementation. In order to compensate the expected fall in the revenue Government consider it necessary to enhance the tax payable by the Company from 1 anna to 2 annas per rupee.

Foodgrains are now exempt from taxation. The Act does not contain any definition of foodgrains. The term has been defined in the Rules, as to include gram also. Thus gram is now exempt from tax. It is proposed to

take away this exemption. This is proposed to be achieved by defining the term "foodgrains" in this Act itself, so as not to take the grams and deleting the definitions in the Rules. The Bill is intended to achieve the above objects.

PANAMPILLI GOVINDA MENON.

FINANCIAL MEMORANDUM

Sales Tax on petrol is now being levied at the rate of one anna in the rupee from the first dealer in the State and at three pies in the rupee from successive dealers. The total tax collected at the above rates during one year amounts to Rs. 22,50,000 while the total tax expected at the enhanced rate during one year will amount to Rs. 40,50,000. The total additional revenue expected is about Rs. 18 lakhs on account of the increase in the tax on petrol. An additional revenue of Rs. 8 lakhs per annum is also expected to be realised by removing the existing exemption in favour of gram. There is already a machinery to collect the Sales Tax. No additional expenditure will be incurred for the collection of the tax at the enhanced rate.

PANAMPILLI GOVINDA MENON.

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